

## Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TREASURY

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NKP

CINCPAC HONOLULU HI

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

UNCLAS STATE 278353

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: DECEMBER 19 EA PRESS SUMMARY

### 1. FOREIGN AID BILL

COMPROMISE AUTHORIZATION BILL PASSES HOUSE 209-189,  
SENT TO WH (REUTER, CHITRIB; RUSSELL, WP). CONGRESS  
WON'T HAVE TIME BEFORE ADJOURNMENT TO PASS ACCOMPANYING  
APPROPRIATIONS BILL, SO HOUSE APPROVED STOPGAP MEASURE  
TO ALLOW AID PROGRAM TO CONTINUE UNTIL FEB 28 (WSJ).  
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CONTINUING RESOLUTION NOW GOES TO SENATE FOR ACTION  
(BINDER, NYT).

MORGAN (WP) REPORTS THAT IN ATTEMPT TO FORCE ADMIN

TO SHIP BULK OF FOOD AID TO FAMINE-THREATENED COUNTRIES, HOUSE-SENATE CONFEREES WROTE INTO AID BILL DIRECTIVE THAT NO MORE THAN 30 PERCENT OF CURRENT PROGRAM CAN GO TO NATIONS WHERE HUMANITARIAN NEED IS "LESS URGENT." QUOTES SENATE AIDES THAT PURPOSE IS TO LIMIT FOOD AID TO COUNTRIES WITH WHICH US HAS SECURITY OR POLITICAL TIES, SUCH AS VN. BUT ADMIN SOURCES SAY IT IS UNCLEAR FROM MEASURE'S LANGUAGE WHETHER LIMITATION IS MANDATORY, AND IF IT APPLIES TO WHOLE PROGRAM OR ONLY TO LOAN PORTION. MORGAN NOTES THAT ADMIN RECENTLY APPROVED 22.8 MILLION LOAN TO SK TO BUY 60,000 TONS OF RICE,

AND SEES HOUSE-SENATE LIMITATION AS INTENDED TO INSURE THAT 70 PCT OF FY 75 PROGRAM GOES TO 32 COUNTRIES ON UN'S LIST OF THOSE MOST SERIOUSLY AFFECTED BY INFLATION AND FOOD SHORTAGES. BUT DOS PLANS CALL FOR 94 MILLION IN FOOD CREDITS TO SVN IN NEXT SIX MONTHS, AS WELL AS ADDITIONAL CREDITS FOR OTHER COUNTRIES INCLUDING SK.

## 2. INDOCHINA

LAT'S RESTON (GLOBE; ABRIDGED IN WP) SAYS FIRST DIRECT SHIPMENT OF PRIVATE US RECONSTRUCTION AID WILL LEAVE FOR NVN NEXT WEEK. AIRLIFT WILL INCLUDE NEARLY MILLION DOLLARS IN MEDICAL EQUIPMENT FOR HANOI'S BACHMAI HOSPITAL, DAMAGED IN CHRISTMAS 1972 BOMBINGS. CAMBRIDGE-BASED BACHMAI HOSPITAL RELIEF FUND COLLECTED CONTRIBUTIONS FROM 80,000 AMERICANS TO MAKE SHIPMENT POSSIBLE. FUND-FOUNDER RAMSEY CLARK SAID THAT BY SHIPPING EQUIPMENT, 80,000 AMERICANS "REAFFIRM THEIR COMMITMENT TO PEACE AND HUMANITY." SHIPMENT WILL MARK FIRST TIME SINCE C-F THAT ANY KIND OF AID WILL MOVE DIRECTLY FROM US TO NVN. RESTON COMMENTS THAT SHIPMENTS APPARENTLY INDICATE SOFTENING OF USG ATTITUDE TOWARD PRIVATE AMERICAN RECONSTRUCTION EFFORTS, THOUGH FUND MEMBERS COMPLAINED OF LONG BUREAUCRATIC DELAYS AND APPROVAL CAME ONLY AFTER PERIODIC INTERVENTION BY UNCLASSIFIED

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SEN. KENNEDY.

GVN MIL COMMAND SAID ARVN RECAPTURED SMALL AIRSTRIP, 60 MILES NORTH OF SAIGON, LESS THAN 24 HOURS AFTER LOST; BUT THAT GVN GAVE UP TWO OTHER POSITIONS IN PHUOC LONG PROVINCE (WP).

LESS THAN HALF WAY THROUGH BUDGET YEAR, PENTAGON HAS ALREADY SPENT ALMOST THREE-FOURTHS OF AID FUNDS FOR SVN. DOD SPOKESMAN BEECHER TOLD NEWSMEN WED. THAT LEVEL OF SPENDING FOR SVN "NOT ADEQUATE TO THE NEEDS." PENTAGON OFFICIALS SAID IT IS TOO SOON TO KNOW IF ADMIN WILL ASK CONGRESS FOR MORE, ADDED THAT IT WAS "NOT UNCOMMON"

TO SPEND UNEVENLY (PHINQ). SUN'S CORDDRY QUOTES BEECHER THAT COMING DRY SEASON MAY SEE SOME INCREASE IN INTENSITY OF ATTACKS IN DELTA, BUT AT THIS MOMENT MOST ANALYSTS BELIEVE THERE WILL NOT BE MAJOR COUNTRY-WIDE OFFENSIVE, "HOUGH COMMUNISTS HAVE FORCES TO ATTEMPT ONE IF NVN ASSESSMENT IS LOW RATE OF REPLACEMENTS MOVING SOUTH, AND THAT CURRENT COMMUNIST AIMS APPEAR TO BE TO EXPAND POPULATED AREAS UNDER THEIR CONTROL AND CAPTURE AS MUCH RICE AS POSSIBLE. CORDDRY COMMENTS THAT IF PREDICTIONS OF STEPPED-UP COMMUNIST ACTIONS ARE REALIZED, IT NOW

APPEARS THAT THERE COULD BE EARLY TEST NEXT YEAR OF NEW CONGRESS' WILLINGNESS TO INCREASE AID LEVELS TO GVN - IN SUPPLEMENTAL, NEW BUDGET, OR BOTH.

LAT'S MCARTHUR FROM SAIGON (12/18) REPORTS THAT, UNLIKE THE OLD DAYS, BANDITRY IS INCREASING AMONG COMMUNIST TROOPS. RECOUNTS SEVERAL INSTANCES OF LOOTING AND HOLDUPS BY VC, AND RECALLS THAT IN PAST ARVN, NOT COMMUNISTS, HAD REPUTATION FOR CHICKEN-STEALING. NOTES THAT TWO YEARS AGO VC WERE SHARPLY CUT BACK ON RATION ALLOWANCES, SO NOW THEY AND ARVN ARE BOTH UNDERPAID AND FEELING PINCH. MANY OBSERVERS ALSO FEEL THAT VC ARE MUCH LESS WELL DISCIPLINED THAN IN PAST. QUOTES SAIGON MERCHANT THAT "UNOFFICIAL TAXES" ON RICE AND TIMBER ARE UP SHARPLY, WHICH MEANS THAT WITH PICKINGS SLIMMER, BOTH ARVN AND VC HAVE INCREASED SQUEEZE ON ROADS. IN AREAS SUCH AS HIGHLANDS AS MANY AS FIVE UNCLASSIFIED

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SEPARATE FORCES MOVE AROUND: ARVN TROOPS ON DUTY, ARVN TROOPS MOONLIGHTING, NVA SOLDIERS, MONTAGNARD REBELS, AND PLAIN BANDITS. BANDITRY ALSO THRIVES ON KHMER BORDER NORTH OF CHAU DOC, WHICH IS CROSSROADS FOR SMUGGLERS AND PETTY WARLORDS.

CDN'S KEYES BEECH FROM HK (12/16) BELIEVES NEW COMMUNIST OFFENSIVE MAY HAVE STARTED IN SVN. QUOTES INTELLIGENCE SOURCES THAT NEW PUSH PROBABLY COMING WITHIN NEXT FEW WEEKS, BUT WILL FALL SHORT OF TET 68 OR EASTER 72, THOUGH SENIOR ANALYST SEES POSSIBILITY OF GENERAL OFFENSIVE STARTING "IF THEY SCORE A BREAKTHROUGH". BETWEEN BUILDUP IN SOUTH AND IMPROVED LOGISTICS SYSTEM, ONE SENIOR US OFFICIAL WHOSE TRACK RECORD ON VN FORECASTING IS EXCELLENT, SAYS "I DON'T LIKE THE SITUATION.;" BEECH BELIEVES THAT GIVEN CURRENT CONDITIONS, OFFENSIVE SEEMS ONLY LOGICAL, AND IF IT COMES OFF, WILL BE COUNTRY-WIDE AND SUSTAINED. SVN MORALE IS LOW, AND SITUATION RAISES TWO QUESTIONS: WILL ARVN HOLD, AND WHAT WILL US DO IF SITUATION BECOMES CRITICAL. ANSWER TO FIRST IS THAT NOBODY KNOWS, THOUGH SOME OBSERVERS ARE PESSIMISTIC AND THERE ARE WIDESPREAD REPORTS OF

DISAFFECTION IN ARMED FORCES BECAUSE SOLDIERS DON'T EARN ENOUGH TO FEED FAMILIES. ANSWER TO SECOND IS "EQUALLY FUZZY" AT MOMENT. BEECH OPINES THAT PRES MAY WANT TO ORDER USAF INTO FRAY "BUT WHETHER HE WOULD BE WILLING TO UNDERTAKE THIS RISK IN VIEW OF HIS DOMESTIC PROBLEMS IS ANOTHER MATTER."

CONTROVERSIAL DOCUMENTARY "HEARTS AND MINDS" FAILED TO OPEN IN LA BECAUSE PRODUCTION COMPANY THAT ACQUIRED IT

COULD NOT COME UP WITH MILLION DOLS TO BUY IT FROM COLUMBIA PICTURES. MEANWHILE, COURT DENIED ROSTOW'S REQUEST FOR TEMPORARY RESTRAINING ORDER BECAUSE HE HAD NOT BEEN ALLOWED TO APPROVE INTERVIEW IN FILM THAT HE CONSIDERED "SOMEWHAT MISLEADING." WARNER BROS' LAWYERS AGREED TO HOLD UP RELEASE UNTIL COURT MAKES PERMANENT RULING (NYT).

IN LAOS, NY STOCKBROKER HOWARD DEAN SAID HE IS HOPEFUL  
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THAT PL WILL RELEASE HIS SON BEFORE CHRISTMAS. TOLD NEWS CONFERENCE THAT HE HAD MET WITH PHOUMI VONGVICHIT AND FOUND HIM "CORDIAL AND SYMPATHETIC." PHOUMI AGREED TO SEND ANOTHER TELEGRAM TO SAM NEUA SEEKING INFO ON YOUNG DEAN AND AUSSIE TRAVELING COMPANION NEIL SHARMAN (AP, NYDN; PHINQ).

### 3. CHINA

CDN'S SAM JAFFEE (IN PEKING), REPORTING EXCLUSIVE INTERVIEW WITH MANSFIELD, QUOTES SENATOR THAT STATE OF SINO-US RELATIONS "IS ABOUT WHAT CAN BE EXPECTED," BECAUSE NORMALIZATION OF RELATIONS PROCESS "CAN ONLY REACH A CERTAIN POINT BEFORE QUESTIONS ARISE." SAID PRC LEADERSHIP IS SOMEWHAT IMPATIENT ABOUT IMPROVEMENT IN RELATIONS, BUT HE ASSURED THEM THAT US-CHINA POLICY IS "IRREVERSIBLE." MANSFIELD INDICATED CHINESE DISPLAYED SOME DISPLEASURE OVER TRADE UNBALANCE; FOUND THEY STILL FEEL GRATITUDE TOWARD NIXON FOR OPENING DOOR TO BETTER RELATIONS. SENATOR SAID HE WAS TOLD MAO "WAS VERY MUCH IN THE FOREFRONT" IN THESE RELATIONS BECAUSE OF FOREIGN AFFAIRS QUARTERLY ARTICLE NIXON WROTE BEFORE HE BECAME PRES; MANSFIELD SAID ARTICLE WAS CORNERSTONE TO OUR PRESENT RELATIONS. HE WAS TOLD MAO PERSONALLY NOTED ARTICLE, BUT OTHERS IN PEKING HIERARCHY DID NOT.

MANSFIELD SAID HIS DISCUSSIONS WITH CHINESE WERE FRANK ON BOTH SIDES. JAFFE NOTES THAT, UNLIKE JACKSON AND GOVERNORS WHO VISITED CHINA EARLIER THIS YEAR, MANSFIELD PARTY WERE ACCORDED VIP TREATMENT; WHILE OTHERS STAYED IN PEKING HOTEL, MANSFIELD ENTOURAGE WAS GIVEN PRIVATE

VILLA (DEC. 16).

ACCORDING TO MAGAZINE ISSUED BY US CONSULATE HK ("CURRENT SCENE; - DEC. ISSUE), PRC SHOULD EARN 350 MILLION DOLS FROM OIL EXPORTS THIS YEAR. ADDED THAT PEKING'S INCREASED 1973 EFFORT TO BOOST HARD CURRENCY EARNINGS AND BECOME PETROLEUM NET EXPORTER WAS ONE OF SEVERAL IMPORTANT STEPS PROMISING TO INFLUENCE GREATLY ITS TRADE FOR REST OF DECADE. SAID OIL MAY WELL BECOME MAJOR

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SOURCE OF CHINA'S FOREIGN EXCHANGE EARNINGS IN NEXT FEW YEARS, AND REPORTED SHE EARNED ABOUT 35 MILLION DOLS FROM CRUDE OIL AND REFINED PRODUCTS SALES TO JAPAN AND HK IN 1973 (REUTER, CHITRIB).

JOC'S STRAUSS (IN HK) REPORTS "CURRENT SCENE" STATEMENT THAT PRC TRADE INCREASED BY 30-40 PER CENT IN 1974 TO 13-14 BILLION DOLS, BUT PRC IS EXPECTED TO RUN FIRST SIGNIFICANT TRADE DEFICIT IN YEARS, IN AREA OF 1 BILLION. SAYS PUBLICATION'S TRADE ESTIMATES ARE CONCEDED AMONG CHINA WATCHERS TO BE MOST RELIABLE IN WORLD. ARTICLE ALSO PRESENTED HIGHEST FIGURE YET PUBLISHED ON PRC'S 1973 FOREIGN TRADE, 9.9 BILLION -- UP 67 PER CENT OVER 1972. THIS GROWTH REPORTEDLY AMOUNTED TO ONLY ROUGHLY 25 PER CENT IN REAL TERMS, REST BEING ACCOUNTED FOR BY INFLATION AND CURRENCY FLUCTUATIONS.

ARTICLE SAID US BECAME CHINA'S SECOND LARGEST TRADE PARTNER LAST YEAR, AND SHOULD RETAIN THIS POSITION IN 1974. TABLE ACCOMPANYING ARTICLE CONCLUDED THAT IN 1974 NO SINGLE US PLANT WAS SOLD CHINA UP TO DATE OF PUBLICATION, THOUGH LAST YEAR PRC BOUGHT 205 MILLION WORTH OF PLANT FROM US. IDEOLOGICAL CAMPAIGN AGAINST TECHNOLOGY IMPORTS APPEARS TO HAVE BEEN MAIN CAUSE OF DOWNTURN, THOUGH LACK OF FUNDS AND NEED OF TIME TO ABSORB 1973 PURCHASES MAY HAVE CONTRIBUTED.

ACCORDING TO HEARST'S FREIDIN, ESTIMATES THAT PRC CRUDE OIL PRODUCTION WILL COME TO 400 MILLION TONS BY 1968 HAVE UPSET SOVIET, CAUSED ME PRODUCERS TO THINK TWICE ABOUT PRICES, AND ARE CERTAIN TO ALTER ALTERNATIVES FOR HARD-PRESSED WESTERN WORLD. NOTES SUPER-POWERS AND INDUSTRIALIZED SOCIETIES, "HELD PRACTICALLY FOR RANSOM BY PRESENT OIL PRODUCERS' PRICES, ARE NOW TRYING TO ENTER THE CHINESE OIL ACT." FREIDIN SAYS US, ACQUIRING BITS AND PIECES OF INFO ON CHINESE OIL ACHIEVEMENTS, HAS BEEN ASKING FOR MORE INFO IN HURRY, BUT GETTING NOTHING EXTRA (BALTO N-A DEC. 18).

UK ATOMIC ENERGY AUTHORITY REPORTED WEDNESDAY THAT

CHINA'S JUNE 1973 NUCLEAR BOMB TEST TRIPLED LONG-LIVED  
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RADIOACTIVE FALLOUT OVER BRITAIN IN FIRST SIX MONTHS  
OF 1974, AS COMPARED WITH SAME PERIOD LAST YEAR (AP, WP).  
REPORT ADDED THAT THIS YEAR'S CHINA TEST HAS HAD LITTLE  
EFFECT AT GROUND LEVEL SO FAR, BUT IS LIKELY TO INCREASE  
GROUND-LEVEL RADIOACTIVITY NEXT YEAR (PHINQ).

TORONTO GLOBE AND MAIL'S BURNS, IN PEKING, OBSERVES THAT  
383-PAGE HANDBOOK ON WARFARE HAS JUST APPEARED ON PEKING

BOOKSTANDS CONTAINING FIRST PUBLISHED INFO ON NUCLEAR  
WEAPONS AND HOW AVERAGE MAN CAN PROTECT HIMSELF AGAINST  
THEM; BUT "PICTURE IT PAINTS WOULD STILL BE CONSIDERED  
DISINGENUOUS" BY MOST WESTERN CIVIL DEFENSE EXPERTS.  
THERE IS REFERENCE TO "ENORMOUS POWER" GENERATED BY  
NUCLEAR FUSION, BUT MOST WESTERNERS WOULD PROBABLY REGARD  
AS UNDERSTATEMENT BOOK'S DESCRIPTION OF BLAST EFFECT AS  
"A VERY HIGH PRESSURE" WHICH CAN COLLAPSE EAR DRUMS AND  
LUNGS OR THROW PEOPLE ABOUT, "CAUSING INTERNAL INJURIES  
AND FRACTURES." PROBLEM OF RADIATION IS SIMILARLY  
DESCRIBED, AND MATTER OF DECONTAMINATION ALSO IS HANDLED  
IN "MATTER OF FACT FASHION." EVEN BY CHINESE STANDARDS,  
HANDBOOK'S INITIAL PRESS RUN OF 50,000 IS HIGH, AS ONE  
BOOK WILL USUALLY DO SERVICE FOR SEVERAL PEOPLE (CHITRIB).

NYT'S TELTSCH SUMMARIZES 29TH UNGA SESSION. NOTES  
PRC REJECTED SUGGESTIONS OF ASIAN MEMBERS THAT SHE  
ACCEPT PLACE AS REGIONAL REP ON WORLD FOOD COUNCIL,  
TAKING POSITION THAT THERE WERE TOO MANY CANDIDATES  
FROM ASIA. RECALLS GA REJECTION OF PRC-LED CAMPAIGN  
TO EXPEL GKR, AND US DEFEAT OF CAMPAIGN FOR WITHDRAWAL  
OF US FORCES IN SK.

LAT'S GREENWOOD, IN RIO, REPORTS PRC DELEGATION ARRIVING  
TO RESUME DIPLOMATIC RELATIONS WITH BRAZIL. GOB WILL  
OFFER DELEGATION ALL PROPERTY THAT USED TO BELONG TO  
NATIONALIST DIPLOMATS, INCLUDING FLEET OF TEN CARS  
GOB DID NOT PERMIT ROC REPS TO SELL. BRAZIL'S  
POSITION IS THAT VEHICLES AND PROPERTY BELONG TO  
'CHINESE GOVT RECOGNIZED BY BRAZIL.'

4. JAPAN  
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UPI (TOKYO) CARRIES KYODO REPORT THAT JAPANESE REFINERS  
FORCED TO CUT CRUDE OIL IMPORTS FROM CHINA THIS YEAR  
BECAUSE OF SLOW DOMESTIC DEMAND AND HIGH PRICE;  
CUTBACK EXPECTED TO AMOUNT TO 5.6 MIL BBL, AGAINST

CONTRACT VOLUME OF 30.5 MIL BBL (JOC).

MITSUBISHI HEAVY INDUSTRIES ANNOUNCES AGREEMENT "IN PRINCIPLE" TO ESTABLISH JOINT VENTURE WITH GENERAL ATOMIC INTERNATIONAL TO MAKE HIGH-TEMPERATURE, GAS-COOLED POWER REACTORS IN JAPAN; GENERAL ATOMIC SAYS NEGOTIATIONS TAKING PLACE, BUT DECLINES TO CONFIRM AGREEMENT (WSJ).

SONY OPENS NEW PLANT IN WALES TO PRODUCE COLOR TV SETS FOR SALE IN UK AND OTHER COMMON MARKET NATIONS (JOC, TOKYO).

TOKYO FINANCIAL SOURCES SAY SAUDI ARABIA LEADS OIL-RICH ARABS IN INVESTING 134 MIL DOL IN JAPAN THIS YEAR, MOSTLY IN MEDIUM-TERM BONDS OF TELEPHONE AND TELEGRAPH PUBLIC CORPORATION (UPI, NYT).

AS US LEGALIZES PRIVATE OWNERSHIP OF GOLD, NYT SPECIAL RECALLS SHORT-LIVED GOLD FEVER WHEN JAPAN TOOK SAME STEP 20 MONTHS AGO; ONCE NOVELTY WORE OFF RUSH TO BUY SUBSIDED. CURRENT DEMAND, ABOUT 100 TONS PER YEAR, MET MOSTLY BY TRADING COMPANY IMPORTS, WITH DOMESTIC PRODUCTION ESTIMATED TO BE 8 TONS THIS YEAR. NOTES PRIVATE GOLD HOLDINGS AMOUNT TO ONLY ABOUT 300 TONS, OR .87 OZ PER CAPITA.

#### 5. HONG KONG

JOC (HK) REPORTS BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A. LUXEMBOURG (BCCI) OPENED OFFICE IN HK YESTERDAY, FIRST IN SEA; BCCI IS ARAB VENTURE, WITH MINORITY HOLDING BY BANK OF AMERICA.

#### 6. BURMA

DIPLOMATIC SOURCES IN BANGKOK SAY GUB RELAXED CURFEW UNCLASSIFIED

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AND LIFTED BAN ON STREET GATHERINGS OF MORE THAN FIVE PEOPLE IN RANGOON TUESDAY; ALSO SAY MARTIAL LAW AUTHORITIES SENTENCED 110 PEOPLE TO 3-5 YEAR JAIL TERMS FOR THEIR PART IN RIOTS (AP, NYT).

#### 7. INDONESIA

JOC (SYDNEY) REPORTS US, UK, AUSTRALIA JOINT VENTURE TO MINE STEAMING COAL IN SUMATRA; UNCONFIRMED ESTIMATES SAY RESERVES MAY ALLOW EXPORTS OF 25 MIL TONS PER YEAR, MOSTLY TO JAPAN.

#### 8. AUSTRALIA

JOC'S STOVE IN SYDNEY WRITES THAT UTAH DEVELOPMENT CO IS MAJOR BENEFICIARY OF COAL BOOM IN AUSTRALIA WITH PROFITS UP 145 PERCENT OVER LAST YEAR, MOSTLY ON EXPORTS TO JAPAN AND EUROPE.

ACTING PM CAIRMS WARNED GM-HOLDEN TUESDAY THAT GOA WOULD USE ITS POWERS TO ACT AGAINST COMPANY, UNLESS IT COOPERATES IN AVOIDING RETRENCHMENTS. GM-H SAID TO HAVE STUNNED GOA AND AUTO WORKERS MONDAY BY

ANNOUNCING PLAN TO SACK ABOUT 5,000 WORKERS IN JANUARY. GM-H HAS APPEALED TO GOA TO LIMIT IMPORTS TO 10 PERCENT OF MARKET; CAIRNS SAYS STEPS ALREADY TAKEN WILL CUT JAPANESE IMPORTS IN HALF IN JANUARY, FROM PRESENT LEVEL OF 34 PERCENT.

GOA CONFIRMED TUESDAY, FOLLOWING INVESTIGATION, THAT SCIENTISTS SECRETLY TESTED EFFECTS OF POISON GAS ON 1,000 VOLUNTEER TROOPS DURING WWII, AND THAT VICTIMS COULD CLAIM COMPENSATION. TESTS WERE DISCLOSED IN RECENT BOOK BY PARTICIPANT, WHO CHARGED IT A "NATIONAL DISGRACE" THAT PARTICIPANTS FAILED TO GET PROMISED COMPENSATION AFTER SUFFERING RESPIRATORY AND SKIN AILMENTS, LOSS OF HAIR AND LIMB DISPLACEMENT. (REUTER, SUN, CHITRIB; PHINQ WIRE SERVICE).

9. NEW ZEALAND  
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TWO UNIDENTIFIED AMCIT WOMEN TOURISTS DIED WEDNESDAY IN CABLE CAR CRASH IN RESORT TOWN OF QUEENSTOWN (PHINQ, UPI).

10. PHILIPPINES

S-N'S PIKE, IN PRE-CHRISTMAS HUMAN INTEREST STORY, SAYS COURT RELEASED LECHOCO IN CUSTODY OF DETECTIVE-NEIGHBOR WITHOUT CASH BOND; FOUND COMPETENT IN MENTAL OBSERVATION AT ST. ELIZABETH'S; TO STAND TRIAL FOR KIDNAPPING.

11. GENERAL

CSM'S NICHOLAS IN SRI LANKA REPORTS ASIAN NATIONS INCLUDING BURMA, THAILAND, MALAYSIA AND INDONESIA, ASK INTERPOL TO HELP RECOVER ARCHAEOLOGICAL TREASURES NOW IN HANDS OF FOREIGN COLLECTORS AND MUSEUMS. INTERPOL RECENTLY ADOPTED RESOLUTION RECOMMENDING THAT MEMBERS FACILITATE RETURN TO ORIGINAL HOMES OF ANY ART AND ANTIQUES FOUND TO BE IN ANOTHER COUNTRY UNDER FRAUDULENT CIRCUMSTANCES.



COMMENT AND ANALYSIS

12. CHINA

GLOBE AND MAIL'S JOHN BURNS IN PEKING REPORTS TRAVELERS RETURNING FROM PROVINCES HAVING SEEN NEW MAO QUOTATION SAYING "THE CULTURAL REVOLUTION HAS BEEN GOING ON FOR EIGHT YEARS NOW AND IT IS TIME TO SETTLE DOWN. THE WHOLE PARTY AND ARMY SHOULD UNITE." BURNS REMARKS THAT MAO'S PRONOUNCEMENT MAY BE TAKEN AS FORMAL END TO PERIOD OF UPHEAVAL THAT RAVAGED COUNTRY IN GPCR AND SURFACED AGAIN IN MORE SUBDUED FASHION THIS YEAR.

REFERENCE TO NEED FOR UNITY IS PARTICULARLY IMPORTANT, SINCE IT IMPLIES THAT MAO'S AUTHORITY IS TO BE APPLIED TO ENDING STRAINS THAT HAVE BEEN ONE OF PEKING'S UNCLASSIFIED

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PRINCIPAL PREOCCUPATIONS EVER SINCE PLA MOVED INTO POWER VACUUM CREATED BY DECIMATION OF CCP BUREAUCRACY. ALTHOUGH QUOTATION HAS NOT YET APPEARED IN PEKING, OBSERVERS TEND TO ACCEPT ITS AUTHENTICITY.

PREPARATIONS ARE GOING AHEAD FOR MEETING OF NPC - SOMETHING THAT COULD NOT BE CONTEMPLATED UNLESS THERE WAS BROAD AGREEMENT IN PEKING ON COUNTRY'S DIRECTION FOR FUTURE. APART FROM APPROVING POLICY IN ECON AND OTHER SPHERES, NPC HAS AUTHORITY TO SANCTION IMPORTANT APPOINTMENTS. IT MAY MARK FINAL REVERSAL OF TREND THAT BEGAN DURING GPCR, WHEN LIN PIAO MOVED PLA INTO COMMAND POSITION AND ESTABLISHED HIMSELF AS POLITICAL POWER SECOND ONLY TO MAO. ONCE MAO ORDERED REVIVAL OF PARTY AS CONTROLLING FORCE, THERE WERE BOUND TO BE TENSIONS WITH PLA. SINCE MOST REGIONAL MILITARY LEADERS SHIFTED YEAR AGO HAD SERVED CONCURRENTLY AS POLITICAL BOSSES OF THEIR REGIONS AND WERE NOT GIVEN POLITICAL HAT IN THEIR NEW COMMANDS, THERE WAS SUBSTANTIAL DIMINUTION OF PLA'S INFLUENCE IN POLITICAL LIFE. HOWEVER, SOME STRAINS HAVE LINGERED; IT IS PERHAPS THESE THAT MAO HAD IN MIND IN HIS LATEST PRONOUNCEMENT (CSM).

NYT'S LELYVELD HK SAYS MAO'S MEETING WITH MOBUTU INDICATED IT WASN'T ILLNESS BUT CONSIDERATIONS OF INTERNATIONAL POLITICS THAT KEPT HIM FROM MEETING HAK LAST MONTH. (SHORTER VERSION OF STORY IN SUN). US OFFICIALS HAD SOUGHT TO DISCOURAGE SPECULATION THAT MAO HAD GIVEN HAK DIPLOMATIC SNUB TO SHOW IMPATIENCE OVER LACK OF PROGRESS TOWARD ESTABLISHMENT

OF FULL DIPLOMATIC RELATIONS. BUT ACCORDING TO PRESS

DISPATCHES FROM PEKING, CHINESE IMPATIENCE WAS CONFIRMED LAST WEEKEND BY SENATOR MANSFIELD. CITES WESTERN DIPLOMATS IN HK AS NOTING THAT MANSFIELD HAD BEEN RECEIVED FOR 55 MINUTES BY CHOU, WHOSE CONVERSATION WITH HAK HAD BEEN CUT OFF AFTER ONLY 30 MINUTES. BREVITY OF HAK'S MEETING WAS TAKEN ORIGINALLY AS INDEX OF PREMIER'S WITHDRAWAL FROM ACTIVE LEADERSHIP ROLE. ALL CHOU'S MEETINGS WITH UNCLASSIFIED

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FOREIGNERS SINCE JULY HAVE BEEN IN HEAVILY GUARDED MIL HOSPITAL IN PEKING. BUT SINCE HAK WAS THERE, CHOU HAS SEEMED NEARLY AS ACTIVE AS HE WAS WHEN AT THE HELM OF AFFAIRS.

13. PHILIPPINES

CSM NOTES THAT EUGENIO LOPEZ JR. REPORTEDLY RECEIVED MARCOS GOVT ASSURANCES OF JUSTICE FOR POLITICAL PRISONERS BEFORE ENDING HIS HUNGER STRIKE, INCLUDING AGREEMENT THAT PROCESS OF JUSTICE WOULD BE COMPLETED DURING JANUARY. CSM WELCOMES ASSURANCES, BUT COMMENTS THAT LIKE MARCOS' EARLIER ANNOUNCEMENT THAT PRESS CENSORSHIP HAD BEEN LIFTED, THEY NEED TO BE CONCRETELY DEMONSTRATED. SAYS PHIL PRESS DOES NOT ACT AS IF IT WERE FREE, ASSERTING THAT OBSCURING OF LOPEZ' STORY ILLUSTRATES HOW RESTRICTED THE PRESS IS. NOW THAT AT LEAST SOME OF FACTS HAVE BEEN PUBLICIZED THERE, HOPE IS THAT PROCESS OF JUSTICE FOR THE OTHERS WILL BE EXPEDITED.

PHILA BULL (DEC 17) APPLAUDS MARCOS' ANNOUNCEMENT THAT HE WILL RELEASE ALL BUT FEW OF THE 1,165 POLITICAL PRISONERS. ONLY CRIME OF MANY OF PRISONERS IS THAT THEY OPPOSED A DICTATOR. SEVERAL FACTORS INDICATE THAT THE MOVE RESULTED MORE FROM MARCOS' PRAGMATIC BID TO RETAIN CONTROL THAN FROM SINCERE COMMITMENT TO RESTORE INDIVIDUAL LIBERTIES.

HE CAME UNDER EXTREME PRESSURE TO FREE PRISONERS AS RESULT OF LOPEZ' AND OSMENA'S MUCH-PUBLICIZED HUNGER STRIKE. MOREOVER, THE ARCHBISHOP OF MANILA HAD DEMANDED SIMILAR ACTION AS HAD VOCAL MARCOS CRITICS IN US. MOVE COST MARCOS LITTLE REAL POWER. NUMBERS OF POLITICAL PRISONERS HE ANNOUNCED CANNOT BE VERIFIED. HE ALSO RETAINS EMERGENCY POWER TO JAIL PRISONERS WITHOUT TRIAL. FINALLY, HE CONTINUES TO CONTROL COUNTRY'S NEWS MEDIA, ARMY AND POLICE, ENABLING HIM TO STIFLE ANY ORGANIZED OPPOSITION.

POLITICALLY ASTUTE MARCOS HAS RELAXED HIS GRIP BEFORE, UNCLASSIFIED

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ONLY TO TIGHTEN IT AGAIN. ONLY BY RESTORING CONSTITUTIONAL RIGHTS AND DEMOCRATIC INSTITUTIONS WHICH GUARANTEE THEM WILL MARCOS PROVE HE VALUES FREEDOM OVER PERSONAL POWER.

14. INDOCHINA

NYT'S ANTHONY LEWIS OBSERVES SECOND ANNIVERSARY OF CHRISTMAS BOMBING OF HANOI AND HAIPHONG BY VENTING HIS WELL-KNOWN OPINIONS OF US INVOLVEMENT IN INDOCHINA. SAYS BOMBING SYMBOLIZED US DETERMINATION TO IMPOSE ITS VIEWS - AN ATTITUDE WHICH STILL PREVAILS. MORE THAN HALF OF US AID ABROAD GOES TO INDOCHINA. THE MEANS ARE DIFFERENT, BUT THE ATTITUDE IS SAME: US MUST BE RESPONSIBLE FOR WHAT HAPPENS IN VN. MORAL COST IS EVEN WORSE IN CAMBODIA, WHICH HAD A CIVILIZATION AMONG THE MOST PEACEFUL AND BEAUTIFUL ON EARTH. YEAR AGO SOME US OFFICIALS TROUBLED BY DESTRUCTION OF CAMBODIA URGED HAK TO STOP FEEDING THE WAR, TO WITHDRAW GRACEFULLY. HAK SAID ROUGHLY THAT HE DID NOT WANT TO HEAR ANY MORE OF THAT: "TO LOSE GRACEFULLY IS STILL TO LOSE".

OBSESSION WITH INDOCHINA CONTINUES TO GRIP HAK. WALTER LIPPMANN'S DEATH REMINDS US OF HIS PRESCIENT EARLY OPPOSITION TO WAR IN INDOCHINA. LIPPMANN WAS NOT AN INNOCENT ABOUT POWER, BUT HE SPENT A LIFETIME ARGUING THAT THE GREAT MUST USE IT RATIONALLY, IN THEIR OWN INTEREST AND WORLD'S. CHRISTMAS BOMBING, AND CONTINUING US POLICY OF WAR BY OTHER MEANS IN INDOCHINA, SHOW THAT LIPPMANN'S WORK REMAINS TO BE DONE.

15. INDONESIA

IN ARTICLE DATELINED JAKARTA, LAT'S ELEGANT (DEC 18) DOES FEATURE ON INDO DESIRE TO BOOST ITS NAVY AS COUNTER TO SOVIET NAVAL POWER IN INDIAN OCEAN AND ADJACENT WATERS.

16. KOREA  
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ADM LA ROQUE (LAT DEC 18) ADVOCATES WITHDRAWAL OF US TROOPS FROM SK, SAYING PROMPT WITHDRAWAL COULD SAVE MORE THAN ONE BILLION DOLLARS IN DOD BUDGET AND HAVE POSITIVE ADVANTAGES FOR NATIONAL SECURITY.

SINCE END OF KOREAN WAR, WE HAVE POURED 11 BILLION

INTO MAINTAINING US TROOPS IN SK, AND WHAT WE HAVE BOUGHT IS THE REGIME OF PARK WHOSE DEPOTISM IS EMBARRASSING US DIPLOMATICALLY AND HURTING US STRATEGICALLY. JUST BEING THERE, US TROOPS COULD CAUSE OUR AUTOMATIC INVOLVEMENT IN ANOTHER COSTLY LAND WAR, WHETHER TRIGGERED BY PARK OR NK. PRESENCE OF US WEAPONS - MANY OF WHICH CAN BE ARMED WITH NUCLEAR WARHEADS - ALSO PRESENTS PROBLEM OF ENORMOUS GRAVITY. THESE WEAPONS ARE VULNERABLE TO CAPTURE IN TIME OF WAR BY VARIOUS GROUPS, PERHAPS TERRORISTS, IN S KOREA ITSELF.

GIVEN POTENTIAL FOR POLITICAL TURMOIL IN SK, US NUKES COULD BECOME POLITICAL WEAPONS IN EFFORT TO INVOLVE US IN WAR AGAINST NK. WITHDRAWAL OF SUCH WEAPONS WHICH ARE NOW DEPLOYED IN FORWARD AREAS WOULD ENHANCE, NOT WEAKEN, US SECURITY.

REDUCTION OF US MIL INVOLVEMENT IN KOREA, ACCOMPANIED BY DIMINISHED SUPPORT FOR PARK DICTATORSHIP, WOULD PERMIT POLITICAL SITUATION IN SK TO EVOLVE IN MORE DEMOCRATIC AND STABLE DIRECTION. ONE SPECIFIC BENEFIT, IN ADDITION TO SAVING MONEY, IS THAT WE COULD REGAIN OUR OPTION ON WHETHER TO GO TO WAR AGAIN IN KOREA IF WAR WERE TO BREAK OUT THERE. US WITHDRAWAL, IN FACT, MIGHT WELL AMELIORATE HOSTILITY BETWEEN NORTH AND SOUTH, FOR ONCE THEIR FORCES HAVE ACHIEVED RELATIVE PARITY, THEY MIGHT LEARN TO LIVE WITH ONE ANOTHER. KISSINGER

NOTE BY OC/T: POUCHED BUDAPEST.

UNCLASSIFIED

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## Message Attributes

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CAN THO  
DANANG  
HONG KONG  
NHA TRANG

JEC PARIS INFO USSAGE NKP  
CINCPAC HONOLULU HI  
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